

WASHINGTON, DC – Rep. Peter DeFazio (D-Springfield) today announced that the House of Representatives will vote on his bill, H.R. 1875, the End the Trade Deficit Act, next week. DeFazio is part of a coalition that has been working with the House leadership to develop the “Make it in America” manufacturing initiative to rebuild America’s manufacturing base and bring and keep good value jobs here at home. H.R. 1875 is intended to help establish a coherent trade strategy to achieve balanced trade. In addition to DeFazio’s bill, the “Make it in America” initiative would also provide incentives for manufacturing investment in the U.S., create a level playing field for U.S. manufacturers, improve U.S. infrastructure, and strengthen the labor pool through improved education and training programs. The package of bills will be considered on the House floor next week.

“We need a trade overhaul to help our nation export goods, not jobs,” DeFazio said. “The world is not forever going to lend us money to buy things that we used to make here. And as we impoverish more and more of the middle class by exporting their jobs, we’re going to have even less capability of buying those goods. Something has to change.”

In 1998, the United States trade balance was \$166 billion, which led Congress to authorize the Trade Deficit Review Commission. This Commission was the watered down version of the End the Trade Deficit Act introduced in 1997 by Rep DeFazio and Senator Dorgan. Unfortunately, the Commission was deadlocked along partisan lines and no recommendations were ever enacted.

Fast forward to today and the trade deficit has ballooned to \$677 billion in 2008, \$700 billion in 2007, both down from the largest negative trade balance in history, \$753 billion in 2006. But this is not a new trend. The United States has had 33 years of consecutive annual trade deficits, totaling \$6.7 trillion. In the last ten years, the annual trade balance has increased by a magnitude of seven.

The recession has not changed the underlying trend. While the trade deficit dropped to \$375 billion in 2009, the real story is the imbalance between China and the U.S. In 2009, we ran a trade deficit with China of \$226 billion, a full 60% of our trade gap.

“Our trade policies all have the same fundamental flaw; they open up U.S. markets to imports, but always fail to open up foreign markets to U.S. exports,” DeFazio continued. “Chinese actions to protect their markets have been highly successful, while the U.S. has given away millions of manufacturing jobs. The Chinese passed a law prohibiting the sale of any renewable technology unless it was manufactured in China. So, we can talk about green jobs and how they will put American’s back to work, but we’re importing Chinese windmills and they are

excluding any kind of advanced technologies made here in the U.S. from being sold in their country. There are a host of things wrong with this picture. Our economy will not recover if we give up making things in the U.S.”

“The U.S. has lost 3,718,000 manufacturing jobs since 1998. The commission needs to review U.S. trade policies that have allowed huge multinational corporations to export our industrial manufacturing base as they chase the cheapest labor and lax environmental and safety regulations around the world.”